



ASSOCIATION OF
BAY AREA GOVERNMENTS



METROPOLITAN
TRANSPORTATION
COMMISSION

November 25, 2009

Cynthia Bryant
Director
Governor's Office of Planning and Research
1400 Tenth Street
Sacramento, California 95814

Dear Ms. Bryant:

As the Strategic Growth Council (SGC) considers its approach for programming the remaining Proposition 84 planning funds, the Association of Bay Area Government (ABAG) and the Metropolitan Transportation Commission (MTC) would like to express serious reservations that the draft guidelines negatively impact our region's efforts to advance sustainable growth in the Bay Area and undermine our ability to advance landmark state law (SB 375). The proposed guidelines do not build upon existing state, regional, and local planning policy (the regional blueprint planning program), which has acted as a precursor for SB 375 and the Sustainable Communities Strategy, and ignore the relationships that need to be established if SB 375 is to be successful.

It is important to note that Regional Blueprint Plans are recognized as the primary implementation framework for SB 375 in the state's four major metropolitan regions encompassing more than 80% of California's population. In the Bay Area, the FOCUS Program links local planning and zoning with regional-level planning grants, transit-oriented development infrastructure funding, and policies prioritizing new transportation funding for priority development areas. This established link between local implementation, regional priorities and state goals provides a strong foundation for the successful implementation of SB 375. For the purposes of Proposition 84 grants, the Blueprint Plans contain the adopted criteria that advance the linkage between efficient land use and transportation planning.

Many of the state's leading nonprofit environmental, economic development, equity organizations and foundations, including the Natural Resources Defense Council, the Bay Area Council, Greenbelt Alliance, Urban Habitat, Transform, Non-Profit Housing, and the San Francisco Foundation, have aligned their work with regional Blueprint planning programs, including FOCUS, and are working to support the implementation of meaningful SB 375-related policies.

At a time when momentum is building at the local and regional level to shift to more sustainable development patterns, we are very concerned that the draft Proposition 84 planning grant criteria sends a signal that the state does not support a regional approach to building sustainable communities as envisioned in SB 375. A failure to strategically direct funding for Metropolitan Planning Organizations (MPOs) and Councils of Governments (COGs) through Proposition 84 grants would signal that SB 375 is not treated seriously by the State and is nothing more than another unfunded state mandate. The intensive engagement work that SB 375 entails between MPOs/COGs and local governments would be rendered moot.

The draft guidelines for the Sustainable Communities Planning Grant program are too broad and fail to focus on the objectives of SB 375, which are principally to tie transportation planning much more efficiently to infill development. The list of eligible proposals and eligible applicants is far too comprehensive given the amount of funding available and the requirement that the funds be invested strategically. The primary purpose of the grant program is to foster and support the development of sustainable communities. However, by not making distinctions between, and simultaneously linking, local and regional actions the guidelines are neither strategic nor efficient.

SB375 is being utilized as a key model and input for the next federal transportation bill by the U.S. Department of Transportation. The U.S. Department of Housing and Urban Development is using the regional Blueprint planning program as a model for its new programs including Sustainable Communities and Sustainable Neighborhoods. Both federal agencies are working together with the U.S. Environmental Protection Agency to foster better synergies and work across increasingly inter-related disciplines around growth in metropolitan America using California as a model. Remarkably, the draft criteria would move the State of California back to an old model that would make our own nationally recognized efforts irrelevant.

The Proposition 84 planning grant guidelines and scoring criteria need to recognize the importance of local-level and regional-level planning and the interconnectedness between regional planning and local implementation. The funding must be directed strategically to specific planning instruments that will link, as efficiently as possible, land-use and transportation and reduce vehicle miles traveled.

We propose the guidelines be revised to create two distinct grant programs:

- 1) Regional Sustainable Communities Plan Grant Program
- 2) Local Sustainable Communities Plan Grant Program

There is a clear need for state funding to support the development of Sustainable Communities Strategies required under SB 375 and these funds are an appropriate and logical source of funding with which to begin to fill that void. Indeed, SB 732 (Steinberg), Chapter 729, Statutes of 2008, was adopted as a companion bill to SB 375, with every expectation that the funds would be used to support its implementation. SB 732 divided the

funds into two distinct categories: (1) Public Resources Code Section 75127, which establishes the criteria for evaluating grants to cities and counties for general plan updates and (2) Public Resources Code Section 75128, which establishes the criteria for evaluating regional plans or other plans consistent with regional plans. While SB 732 delegated to the SGC how much funding to assign to each program, the SGC's proposal punts on this question and instead combines all the funding into one program so that local general plan updates and regional plans compete for the same pot of funds. Given the critical importance of funding local and regional plans for successful implementation of SB 375, we urge the SGC to create two distinct programs consistent with the structure in SB 732. Such programs could be structured as follows:

Local Sustainable Communities Plan Grant Program

Based on PR Code 75127, this program would be available to cities and counties only. For local jurisdictions in areas that have an adopted Blueprint that was funded by the Caltrans Blueprint Planning Program, the SGC would only consider applications that the MPO/COG found to be consistent with the adopted Blueprint. Furthermore, the MPO/COG would be required to score all applications submitted in each cycle based on the degree to which they would help achieve the goals of SB 375. Applicants from regions without an adopted Blueprint would submit directly to the SGC. In evaluating between applications from areas with adopted Blueprints vs. those without, the SGC would prioritize those applications that would best achieve the greenhouse gas reduction targets established by the Air Resources Board pursuant to SB 375, as well as the other criteria included in statute. Adding this as an additional scoring criteria is wholly consistent with PR Code 75126 (c), which authorizes SGC to develop "its own additional minimum requirements and priorities for a project or plan" and is a key step the SGC could take to elevate SB 375's framework and greenhouse gas reduction in its scoring criteria. We recommend a maximum grant amount from this set of funds of \$1 million with a minimum of \$100,000. We recommend that this program receive 2/3 of the available funding in each cycle.

Regional Sustainable Communities Plan Grant Program

Based on PR Code 75128, this program would be available to those entities responsible for developing the Sustainable Communities Strategy (SCS) under SB 375. An applicant could apply for funding for (1) development of the SCS or programs to support implementation of the SCS goals or those of the existing blueprint or (2) funding to support a planning grant program for cities, counties or joint powers authorities that supports the goals of the SCS. Note that this second provision is consistent with fact that PR Code Section 75128 allows funds to be used for cities, counties and JPA's for plans that are "consistent with a regional plan." An applicant could apply for funding from both of these categories. Each grant award would be for a minimum of \$500,000 and a maximum of \$2 million. We recommend that this program receive 1/3 of the available funding in each cycle.

We believe these revisions are consistent with and supportive of SB 732 by directly supporting the implementation of SB 375 and building upon existing state, regional, and

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local policies. In keeping with the charge of the Strategic Growth Council, this approach would strategically invest limited state funding to leverage maximum benefit and would serve as good stewardship of our state's environment and economy. We appreciate your consideration of our proposed changes. Our agencies stand ready to work with you on successfully advancing sustainable growth and development in the State of California.

Sincerely yours,



Henry L. Gardner
Executive Director
Association of Bay Area Governments



Steve Heminger
Executive Director
Metropolitan Transportation Commission

Cc: Members, Strategic Growth Council
Mary D. Nichols, Chair, California Air Resources Board